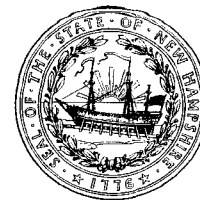




The State of New Hampshire
Department of Environmental Services



Michael P. Nolin
Commissioner

April 28, 2006

Jack Dugan
President
Monadnock Economic Development Corp.
39 Central Square Suite 201
Keene, New Hampshire 03431

CERTIFIED MAIL (7005 1160 0004 7467 6604)
RETURN RECEIPT REQUESTED
LETTER OF DEFICIENCY
No. ARD 06-009
(Sta.S.)

RE: 1 Dunning Lane
North Walpole, NH 03069

Dear Mr. Dugan:

On March 24, 2006, the New Hampshire Department of Environmental Services, Air Resources Division ("DES") conducted a compliance inspection at property owned by Monadnock Economic Development Corporation ("MEDC") at 1 Dunning Lane, North Walpole, NH. The purpose of the inspection was to determine MEDC's compliance status with NH Admin. Rules Env-A 100 *et seq.* The purpose of this Letter of Deficiency ("LOD") is to notify you of the violations discovered during the inspection and to present the necessary action needed to resolve them. The specific violations are as follows:

1. Env-A 603.01, *Permit Required*, prohibits a person from operating a device that requires a permit without first applying for and obtaining a state permit to operate. Env-A 607.01(b) requires the owner or operator of a device that uses #4 fuel oil, with a heat-input design rating of 4.0 MMBtu/hr or greater, to obtain a permit. MEDC operates two boilers that combust #4 fuel oil and which have design ratings in excess of 4.0 MMBtu/hr. These boilers were previously owned and operated by J.H. Dunning Corporation, which sold the building and property at 1 Dunning Lane, North Walpole, including the boilers, to MEDC on March 22, 2005. J.H. Dunning Corporation operated the boilers pursuant to State Permit to Operate FP-S-0113, but amended its permit effective September 16, 2005, to exclude the boilers after selling the building and property to MEDC.
2. Env-A 907.01(a) requires the owner or operator of any stationary source subject to Env-A 600 to submit an annual emissions report. The report must be submitted for each calendar year of operations no later than April 15 of the following year. MEDC has not submitted an annual emissions report for calendar year 2005.
3. Env-A 705 requires any facility that is required to have a temporary permit, state permit to operate, or Title V operating permit, to pay to DES each year an emission-based fee as calculated pursuant to Env-A 705.03. Emission-based fees for calendar year 2005 emissions were due April 15, 2006. MEDC has not paid emission-based fees for calendar year 2005 emissions.

DES believes that MEDC can resolve the above-referenced deficiencies by taking the following actions:

- i. On or before **June 1, 2006**, MEDC shall submit an application for a state permit to operate the two boilers, using permit application forms ARD-1 and ARD-2.
- ii. On or before **June 1, 2006**, MEDC shall submit the annual emissions report for 2005 emissions specified in paragraph 2 above.
- iii. On or before **June 1, 2006**, MEDC shall submit emission-based fees for calendar year 2005. An invoice for calendar year 2005 fees is enclosed. To calculate the fees, DES first calculated 2005 emissions by using MEDC's fuel receipts and AP 42 emission factors for boilers.

As a reminder, if MEDC decides to install any device that is required to be permitted according to Env-A 607.01, MEDC shall first apply to DES for a temporary permit.

In the event compliance is not achieved within the time periods indicated, DES may initiate formal action against MEDC, including issuing an order requiring the deficiencies to be corrected, and/or referring this matter to the NH Department of Justice for imposition of civil and/or criminal penalties. DES reserves the right to pursue administrative fines for the violations noted above.

If you believe that DES has cited these violations in error, or have questions regarding these matters, please contact Barbara Hoffman at (603) 271-7874, Compliance Bureau, Air Resources Division. If you have any questions on how to calculate emissions and prepare the annual emissions report for calendar year 2005, please contact Sonny Strickland at (603) 271-1370. A current copy of Env-A 100 *et seq.* can be obtained from the DES website at <http://www.des.state.nh.us/Rules/air.htm>, or by contacting the DES Public Information Center at (603) 271-2975.

Sincerely,

A stylized, handwritten signature in black ink, appearing to read 'COPY' with a flourish extending from the end.

Pamela G. Monroe
Compliance Bureau Administrator
Air Resources Division

Enc.: Invoice, ARD-1 & ARD-2 Forms

PGM/blh

cc: R. Kurowski, EPA Region 1
G. Hamel, NHDES Legal Unit
Sheldon Sawyer, Chair, Walpole Board of Selectmen
AFS #3300590293